



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3530

Introduced 2/14/2014, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

820 ILCS 405/407.5 new

Amends the Unemployment Insurance Act. Provides for the creation of a program of shared work benefits, under which an individual is deemed unemployed in any week if the individual works less than his or her normal hours or number of days in a week for the individual's employer and the Director of Employment Security finds that the employer has reduced or restricted the individual's hours or days of work or has rehired an individual previously laid off and reduced that individual's hours or days of work from those previously worked as the result of a plan by the employer to reduce unemployment and stabilize the work force through a program of sharing the work remaining after a reduction in total hours of work and a corresponding reduction in wages, among not less than 10% of the employer's permanent work force involved in the affected work unit or units. Provides for: computation of benefits; limits on benefits; determinations; reduction of benefits; payments; submission of forms and certifications; requirements; administration; creation of a Shared Work Benefits Fund; and other matters. Effective immediately.

LRB098 17883 JLS 55703 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by
5 adding Section 407.5 as follows:

6 (820 ILCS 405/407.5 new)

7 Sec. 407.5. Shared work benefits.

8 A. Notwithstanding any other provision of this Act, for the
9 purposes of this Section an individual is "unemployed" in any
10 week if the individual works less than his or her normal hours
11 or number of days in a week for the individual's employer and
12 the Director finds that the employer has reduced or restricted
13 the individual's hours or days of work, or has rehired an
14 individual previously laid off and reduced that individual's
15 hours or days of work from those previously worked as the
16 result of a plan by the employer to reduce unemployment and
17 stabilize the work force through a program of sharing the work
18 remaining after a reduction in total hours of work and a
19 corresponding reduction in wages among not less than 10% of the
20 employer's permanent work force involved in the affected work
21 unit or units.

22 B. Except as otherwise provided in this Section, each
23 individual eligible under this Act who is "unemployed" in any

1 week shall be paid with respect to that week a weekly shared
2 work benefit amount equal to the percentage of reduction of the
3 individual's wages resulting from reduced hours or days of
4 work, rounded to the nearest 10%, multiplied by the
5 individual's weekly benefit amount as defined in Section 401 of
6 this Act, except that this provision shall apply only if the
7 percentage of reduction is between 10% and 50% of the
8 individual's full time weekly wage. The shared work benefit
9 amount shall be rounded (if not already a multiple of one
10 dollar) to the next higher dollar.

11 C. An individual shall be ineligible for benefits under
12 this Section for any week with respect to which the individual
13 has made a claim for unemployment insurance benefits pursuant
14 to any other Section of this Act or under an unemployment
15 insurance law of any other state or Canada or under an
16 unemployment insurance system established by an Act of
17 Congress; provided, however, that if the appropriate agency
18 finally determines that the individual is not entitled to
19 unemployment insurance benefits for the week or weeks involved
20 and that determination has become final and unappealable, the
21 ineligibility arising from the making of a claim under this
22 subsection shall not apply.

23 D. Any amount payable under this Section shall be reduced
24 by the amount of any and all compensation payable for personal
25 services whether performed as an employee or an independent
26 contractor or as a juror or as a witness, except compensation

1 payable by the employer not in excess of compensation payable
2 for reduced hours of work assigned an individual by the
3 employer under a shared work plan.

4 E. All benefits payable under this Section shall be paid
5 from the Shared Work Benefits Fund which is hereby created.
6 Following any biweekly period or periods, participating
7 employers shall submit to the Department, on forms provided by
8 the Director, a list of those employees who, during any prior
9 biweekly period or periods, are entitled to shared work
10 benefits, the week or weeks for which they are entitled, and
11 the amount of such benefits to be paid to each employee.
12 Additional information shall be submitted as may be required by
13 the Director. The completed form shall be accompanied by the
14 employer's payment in an amount equal to all benefits to be
15 paid for the biweekly period or periods pursuant to this
16 Section. The employer's form shall also be accompanied by the
17 certifications, on forms provided by the Director, of each
18 employee entitled to receive shared work benefits for the
19 biweekly period or periods. The employee certification form
20 shall include such information as may be required by the
21 Director. All amounts collected pursuant to this Section shall
22 be deposited into the Shared Work Benefits Fund. No benefits
23 may be paid under this Section to an employee of an employer
24 for any period for which the employer has not submitted the
25 necessary forms or payments.

26 F. Except as otherwise provided by or inconsistent with

1 this Section, all provisions of this Act and authorized
2 regulations apply to benefits under this Section. Authorized
3 regulations may, to the extent permitted by federal law, make
4 such distinctions and requirements as may be necessary in the
5 procedures and provisions applicable to unemployed individuals
6 to carry out the purposes of this Section. No employee shall be
7 required to register for work or actively seek work as a
8 condition of receiving benefits under this Section.

9 G. The Department, in the administration of the program
10 created by this Section, shall establish guidelines that ensure
11 the equitable and consistent administration of the program.

12 H. The program created by this Section shall not affect any
13 pension or insurance benefit of employees participating in the
14 program.

15 I. Employees shall not be eligible to receive any benefits
16 under this Section unless their employer agrees, in writing,
17 and their bargaining agent pursuant to any applicable
18 collective bargaining agreement agrees, in writing, to
19 voluntarily participate in the shared work program approved by
20 the Director.

21 J. The Director shall receive and hold, as custodian, all
22 moneys paid to the Shared Work Benefits Fund in a
23 nonappropriated local account. The moneys in such account
24 (which shall be kept separate and apart from all other public
25 moneys) shall be expended solely for the payment of benefits
26 under the provisions of this Act and in accordance with any

1 guidelines the Director may subsequently develop. The General
2 Assembly shall appropriate funds for the administration of the
3 Shared Work Program. In the event that the funds appropriated
4 for the administration of the Shared Work Program are
5 insufficient for the proper administration of this Program, as
6 determined by the Director, the Program and any benefits
7 payable pursuant to this Section shall terminate until such
8 time as the Director determines that a sufficient appropriation
9 is available.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.